

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

June 8, 2007

In Reply Refer To:
Northern Natural Gas Company
Docket No. RP07-446-000

Northern Natural Gas Company
1111 South 103rd Street
Omaha, NE 68124-1000

Attention: Mary Kay Miller, Vice President
Regulatory and Government Affairs

Reference: Revisions to Request for Service Tariff Provisions

Ladies and Gentlemen:

1. On May 11, 2007, in Docket No. RP07-446-000, Northern Natural Gas Company (Northern) filed revised tariff sheets, listed in the Appendix, to modify the information procedure required to request throughput service on its system. In general, Northern filed its tariff sheets to simplify its request for throughput provisions and to make its tariff consistent with the current market and regulatory environment. We will conditionally accept the tariff sheets to become effective June 11, 2007, as discussed below, with the exception of Fourth Revised Sheet No. 206A which will be subject to the outcome of the proceeding in Docket No. RP07-425-000.

2. In its transmittal letter, Northern states that certain information regarding its service request process is duplicative, unnecessary or inconsistent, and some of the procedures are no longer part of Northern's current practices. Therefore, Northern proposes the instant tariff sheet revisions to remove or revise such information to provide a simpler and more logical process. Northern also proposes to revise language to clarify the order in which it processes requests for service, and states that revised Sheet Nos. 114, 119, 125C, 129, 130, 139, 142C, 146A, 155 and 305 are amended to allow other means of submitting a request and by eliminating the reference to the requests being written. To clarify the information that can be found on Northern's Internet Website, Northern updates its Internet provisions of GT&C section 18 – Electric Communication on Sheet No. 222.

3. Northern proposes to revise language found on Sheet No. 253 related to the processing of requests for amendments to an existing firm agreement. Northern states its current provisions provide that amendment requests received during the day are to be considered as received at the same time. Northern contends that this language appears to require Northern to hold all transactions until the end of the day. Northern states that in today's market, this could cause a problem for shippers wishing to amend or extend daily transactions in time for the nomination cycle that begins at 11:30 a.m. on the calendar day before the actual gas day. Northern proposes to revise this language to state that requests for firm service will be processed in the order they are received and in accordance with the Posting and Awarding Capacity section of Northern's tariff. Northern contends the revisions will allow it to process requests in a more timely and efficient manner.

4. Northern proposes to delete language on Sheet No. 251 that provides that a shipper has five days to submit information to support a request for service upon request by Northern, and if such information is not provided within that period the request will be deemed null and void. Northern states that a provision deeming a particular request null and void after five days is inappropriate and unnecessary because it currently works with shippers to assure that the required information for the request is provided, the requests are valid and if capacity is available. Further, Northern contends that if firm capacity is not available it must notify the shipper within seven work days. On Sheet No. 252, Northern clarifies that all types of requests for service, not just firm capacity, are included in this provision regarding conditions precedent to Northern's submission of a service agreement or amendment to a shipper.

5. Northern states that at the time a shipper requests service it may already have certain information that is required for a request for service as provided for by section 27 of its GT&C (Sheet Nos. 254-256). In addition, Northern states that some of the information currently required by its tariff is now obsolete. Northern states that as a result it proposes to eliminate or modify the following requirements for a valid request: (1) shipper's status (i.e., Intrastate, LDC, Hinshaw, Broker, Producer); (2) whether shipper is acting as an agent; (3) end-user's statement of LDC involvement to determine if utility bypass exists; (4) name of ultimate end-user(s) (to be supplied at the time the service agreement is executed) or indication if gas is for an LDC's supply system; (5) the sum of the total demand quantity for all point(s) of receipt; (6) moving delivery points for third party storage on a seasonal basis; and (7) certification that either the shipper has title, or contractual right to acquire title, to gas being transported.

6. Public notice of the instant filing issued on May 14, 2007. Interventions and protests were due as provided in section 154.210 of the Commission's regulations. Pursuant to Rule 214, (18 C.F.R. § 385.214), all timely filed motions to intervene and any motions to intervene out-of-time filed before the issuance date of this order are granted. Granting late intervention at this stage of the proceeding will not disrupt the proceeding or place additional burdens on existing parties. On May 23, 2007, the Northern Municipal Distributors Group and the Midwest Region Gas Task Force Association (collectively, NMDG/MRGTF) filed comments, discussed below, requesting clarification. On May 31, 2007, Northern filed an answer to NMDG/MRGTF's comments.

7. NMDG/MRGTF raises three concerns in its comments. First, it has concerns regarding Northern's proposal to eliminate language on Sheet No. 256 that NMDG/MRGTF contends provides a right to move a designated portion of TF delivery point capacity on a seasonal basis. NMDG/MRGTF claims elimination of this portion of Northern's tariff appears to eliminate that right. NMDG/MRGTF claims that Northern has not adequately explained why it is appropriate to eliminate this right or why Northern believes other portions of its tariff provide shippers with comparable rights. In its answer, Northern explains that when Order No. 636 was implemented on its system, Northern specifically included provisions on delivery point flexibility in its firm throughput rate schedules.¹ In Order No. 637, the Commission provided firm shippers with the flexibility to change receipt or delivery points if capacity is available at those points. Northern's currently effective tariff provides shippers with such rights. For instance, Sheet No. 102 of Northern's TF Rate Schedule provides that "Shippers may request to amend their agreements to add, change, or delete primary firm delivery points as limited by the firm throughput service agreement." Sheet No. 118 of Northern's TFX Rate Schedule contains a similar provision. Accordingly, Northern's tariff provides shippers the necessary flexibility to move delivery points on a seasonal basis, and therefore we agree with Northern that the subject tariff language Northern proposes to remove from its tariff is duplicative and thus unnecessary.

8. Second, NMDG/MRGTF is concerned with Northern's proposal to eliminate the tariff language on Sheet No. 251 that states that if a shipper does not provide all information necessary to process a request within five business days, the request for service shall be deemed null and void. NMDG/MRGTF submits that since there may be

¹ See Northern's Third Revised Sheet No. 102 and Second Revised Sheet No. 118.

other requests for the capacity there is still a need for a firm date when a request shall be deemed null and void. In its answer, Northern states that the intent in reorganizing sections 26 and 27 of its GT&C was to avoid arbitrary deadlines after which a shipper would have to begin the entire request process again if information was lacking. Northern notes that firm capacity will not be reserved unless a shipper has provided the five minimum items of information, but understands NMDG/MRGTF's concern that the firm capacity could be reserved for an indefinite time period while Northern waits for information. Therefore, Northern proposes to add the following language to its tariff:

If, prior to Northern receiving all of the information required, a subsequent request for firm service is received for the same capacity, Northern will so notify the first requestor and shall provide a reasonable time limit, not to exceed five (5) business days, for the information to be provided or the request will be null and void.

We find Northern's suggested language adequately addresses the concern raised by NMDG/MRGTF while allowing additional flexibility for Northern and its shippers to resolve any information deficiencies before a shipper's request is deemed null and void. Therefore, we will conditionally accept Sixth Revised Sheet No. 251, subject to Northern incorporating the above proposed new language to its tariff within ten days of the date this order issues.

9. Third, also on Sheet No. 251, NMDG/MRGTF requests that Northern revise the second paragraph to indicate that a request will be deemed received only when "all required" information is provided by one of the methods indicated. As noted by Northern in its answer, the suggested language Northern proposes to add on Sheet No. 251, as discussed in the above paragraph, addresses when a request would be deemed null and void, and balances the need for flexibility with the need for certainty. Therefore, we agree with Northern that the "all required" phrase is not necessary as the proposed language sets a reasonable timeline to provide lacking information when there is a subsequent request for service received by Northern for the same capacity.

10. Finally, Northern's Fourth Revised Sheet No. 206A² included in the subject filing contains tariff language that is pending in Northern's Docket No. RP07-425-000

² Filed by Northern in Docket No. RP07-425-000 on May 1, 2007, to supercede Third Revised Sheet No. 206A.

proceeding. Therefore, Fourth Revised Sheet No. 206A is conditionally accepted, subject to the outcome of that proceeding.

By direction of the Commission.

Kimberly D. Bose,
Secretary.

cc: All Parties
Public File

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Appendix

Northern Natural Gas Company
FERC Gas Tariff, Fifth Revised Volume No. 1

Tariff Sheets Conditionally Accepted Effective June 11, 2007

Fourth Revised Sheet No. 114	Sixth Revised Sheet No. 222
Sixth Revised Sheet No. 119	Sixth Revised Sheet No. 251
Fourth Revised Sheet No. 125C	Thirteenth Revised Sheet No. 252
Second Revised Sheet No. 129	Seventh Revised Sheet No. 253
Third Revised Sheet No. 130	Third Revised Sheet No. 253A
Fifth Revised Sheet No. 139	Fourth Revised Sheet No. 254
Fifth Revised Sheet No. 142C	Sixth Revised Sheet No. 255
First Revised Sheet No. 146A	Fifth Revised Sheet No. 256
First Revised Sheet No. 155	Fifth Revised Sheet No. 305
Ninth Revised Sheet No. 200	

*Tariff Sheet Conditionally Accepted Subject to the
Outcome of the Docket No. RP07-425-000 Proceeding*

Fourth Revised Sheet No. 206A